

PRAIRIE MEADOWS RACETRACK & CASINO

PURSE SUPPLEMENT AGREEMENTS

IOWA CODE

99F.6(4)(a) - Agreements that are subject to Commission approval concerning horse purses for a particular period of time beginning on or after January 1, 2006, and ending before January 1, 2021, shall be jointly submitted to the Commission for approval.

IOWA CODE CONT'D.

99D.8 – The application shall be filed with the administrator of the commission at least 60 days before the first day of the horse race or dog race meeting which the organization proposes to conduct, shall specify the day or days when and the exact location where it proposes to conduct racing, and shall be in the form and contain information as the commission prescribes.

COMMISSION DECISION

The legislature intended for the Commission to make the final decision on racing dates and purses.

STATUTORY AUTHORITY

99D.9(1) – The commission may decide which types of racing it will permit. The commission may permit dog racing, horse racing of various types, or both dog and horse racing. The commission shall decide the number, location, and type of all racetracks licensed under this chapter. The license shall set forth the name of the licensee, the type of license granted, the place where the race meeting is to be held, and the time and number of days during which racing may be conducted by the licensee.

STATUTORY AUTHORITY

Pursuant to 99D.7, the commission shall have the following powers...

(4) To regulate the purse structure for race meetings including establishing a minimum purse.

PURSE ISSUE

- 99F.6(4)(a), total annual purses for all horse racing shall be no less than 11% of the first \$200 million of net receipts
- Non-pari-mutuel county fairs have received contributions for purses and other expenses.
- Issue: It is not whether they can receive, only if it can be from 11% designated purse money

PURSE ISSUE

- Purses available for 2006 are based upon projected \$184.6 Million AGR [CY05]
- Less \$17.6 M pledged to fund Vision Iowa project for Polk County = \$167 Million Net Receipts
- $\times 11\% = \underline{\$18.37}$ Million for Purses in 2006

QUARTERHORSE PURSES FOR 2006

- Proposed contract provides:
 - QH get $10.47\% \times \$16,830,000 = \$1,712,500$
 - QH get $34.92\% \times 98\% \times (\$18,370,000 - \$16,830,000) = \$527,000$
 - QH Total = \$2,289,513

THOROUGHBRED PURSES FOR 2006

- Proposed Contract Provides:
 - TB get $78.65\% \times \$16,830,000 = \$13,236,795$
 - TB get $65.08\% \times 98\% \times (\$18,370,000 - \$16,830,000) = \$982,187$
 - TB Total = \$14,218,982

PURSES FOR 2006

- Combined Total for TB and QH = \$16,508,495
- \$1,861,505 for Standardbred (SB)

STANDARD BRED PURSES

- If now receiving \$530,000 in purses at PMR&C, then an additional \$100,000 increase puts them at \$630,000.
- \$1.3 million for county fairs, must come from contributions by PMR&C, and not from 11% purse fund
- Total purses & contributions for SB: \$1.3 million + \$630,000 = \$1.930 Million

PURSES FOR 2006

- TB & QH will divide remainder of 11% purse fund

$$(\$1,861,505 - \$630,000 = \$1,231,505)$$

- TB: $65.08\% \times \$1,231,505 = \$801,463$
- QH: $34.92\% \times \$1,231,505 = \$430,042$

PURSE TOTALS FOR 2006

- SB: \$630,000 (PMR&C) + \$1,300,000 (Contribution to Fairs) = \$1,930,000
- TB: \$14,218,982 + \$801,463 = \$15,020,445
- QH: \$2,289,513 + \$430,042 = \$2,719,555

INCREASE IN PURSE TOTALS

TB/QH	
05	\$15M
06	\$17.74M
18.27%	Increase

SB	
05	\$530,000
06	\$630,000
18.88%	Increase

PMR&C

- Owes \$1.3 million in addition to 11% purses
- Cost to PMR&C per day of live racing = \$54,789
- Reduce number of racing days to partially offset contribution costs

2004 – 2005 Total Races

	TB	TB/Mixed	QH/Mixed	SB
2005	423 (47 Days)	284 (707 Total TB Races)	208 (48 Days)	165 (17 Days)
2004	461 (49 Days)	279 (740 Total TB Races)	186 (46 Days)	171 (17 Days)

2004-2005 Average Races Per Year:

TB 1st & Mixed Meet:	723
QH Mixed Meet:	197
SB:	168

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- TB 1st Meet 450 10 races/day, 45 Day Meet
- TB Mixed Meet 180 5 races/day, 36 Day Meet
- TB Total 630
- QH Mixed Meet 180 5 races/day, 36 Day Meet
- SB 140 10 races/day, 14 Day Meet

PERCENTAGE OF 2004-2005 RACES

- Range from 83% to 91% of 2004-2005 average number of races
- Allow an additional quarter horse or thoroughbred race any day during mixed meet if sufficient entries would attain 50 total entries for the breed (to maintain > 8 horse average field size for that day)
- Allow an additional standardbred race any day if sufficient entries to maintain > 8 horse average field size for that day

Apr 06							May 06							Jun 06						
Sun	Mon	Tues	Wed	Thu	Fri	Sat	Sun	Mon	Tues	Wed	Thu	Fri	Sat	Sun	Mon	Tues	Wed	Thu	Fri	Sat
						1		1	2	3	4	5	6					1	2	3
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	
30																				
Jul 06							Aug 06							Sep 06						
Sun	Mon	Tues	Wed	Thu	Fri	Sat	Sun	Mon	Tues	Wed	Thu	Fri	Sat	Sun	Mon	Tues	Wed	Thu	Fri	Sat
						1			1	2	3	4	5						1	2
2	3	4	5	6	7	8	6	7	8	9	10	11	12	3	4	5	6	7	8	9
9	10	11	12	13	14	15	13	14	15	16	17	18	19	10	11	12	13	14	15	16
16	17	18	19	20	21	22	20	21	22	23	24	25	26	17	18	19	20	21	22	23
23	24	25	26	27	28	29	27	28	29	30	31			24	25	26	27	28	29	30
30	31																			
Oct 06							Nov 06							Dec 06						
Sun	Mon	Tues	Wed	Thu	Fri	Sat	Sun	Mon	Tues	Wed	Thu	Fri	Sat	Sun	Mon	Tues	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7				1	2	3	4						1	2
8	9	10	11	12	13	14	5	6	7	8	9	10	11	3	4	5	6	7	8	9
15	16	17	18	19	20	21	12	13	14	15	16	17	18	10	11	12	13	14	15	16
22	23	24	25	26	27	28	19	20	21	22	23	24	25	17	18	19	20	21	22	23
29	30	31					26	27	28	29	30			24	25	26	27	28	29	30
														31						

- **45 Day Thoroughbred Meet**

- Post Times: Tuesday 3:30, Thursday, Friday and Saturday 6:30
Special Post Times: Sunday, May 28 1:30, Monday, May 29 1:30 Monday, July 3, 6:30

- **36 Day Mixed Meet**

- Post Times: Tuesday 3:30, Thursday, Friday and Saturday 6:30
Special Post Times: Sunday, September 3, 1:30, and Monday, September 4, 1:30

- **14 Day Harness Meet**

- Post Times: Sunday 1:30, Thursday, Friday and Saturday 6:30

9-DAY BREAK

- Lack of a break between meets has generated complaints from horsemen, including
 - ... seeking stalls
 - ... moving horses from one barn to another even if sick
 - ... finding vacated dormitory space for groomsand caused problems for racing officials managing documents and entries.

2-WEEK BREAK

- Mixed Meet completed after Labor Day Week
- Two-week break to change track and turn over all horses
- Standardbred Meet over in mid-October

SAVINGS TO OFFSET IMPACT OF \$1.3M

- 1st Meet 4/21 through 7/04 45 Days
- Mixed Meet 7/13 through 9/9 36 Days
- SB Meet 9/22 through 10/14 14 Days

95 Days Total vs. 112 in 2005

- 17 Days x \$54,789 = \$931,413 Savings
- \$1.3 Million - \$931,413 = \$368,587 in additional cost to PMR&C, net of savings, due to reduction of dates

AVERAGE PURSE INCREASE OVER 2005

	2005	2006	Increase
TB	\$13,236,795 ÷707 Races \$18,722/Race	\$15,020,445 ÷630 Races \$23,842/Race	+ 27.3%
SB	\$530,000 ÷165 Races \$3,212/Race	\$630,000 ÷ 140 Races \$4,500/Race	+ 40.0%
QH	\$1,762,500 ÷ 208 Races \$8,474/Race	\$2,719,555 ÷180 Races \$15,109/Race	+78.3%

COMPETITION THOROUGHBREDS

- Hoosier Park (IN) 9/3 – 11/25 (Purses supplemented by riverboat fees)
- Hawthorne Park (IL) 9/23 – 12/31
- Remington Park (OK) 8/5 – 11/28 (Alternative gaming approved at tracks; purses will increase in 2006)

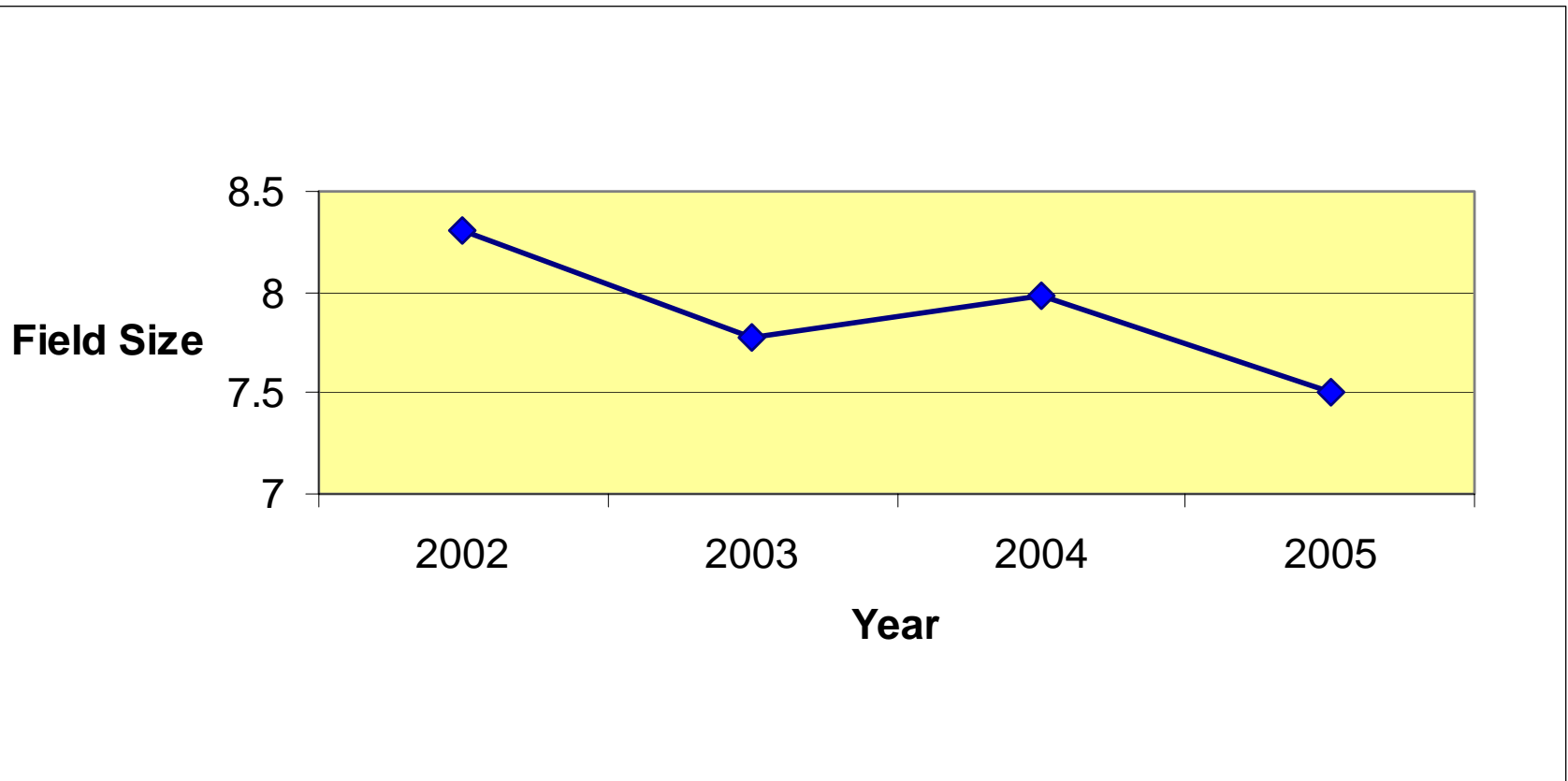
COMPETITION THOROUGHBREDS

- Hoosier MSW \$17,000
- Hawthorne MSW \$28,000
- Remington MSW \$14,000
- PMR&C MSW \$15,000

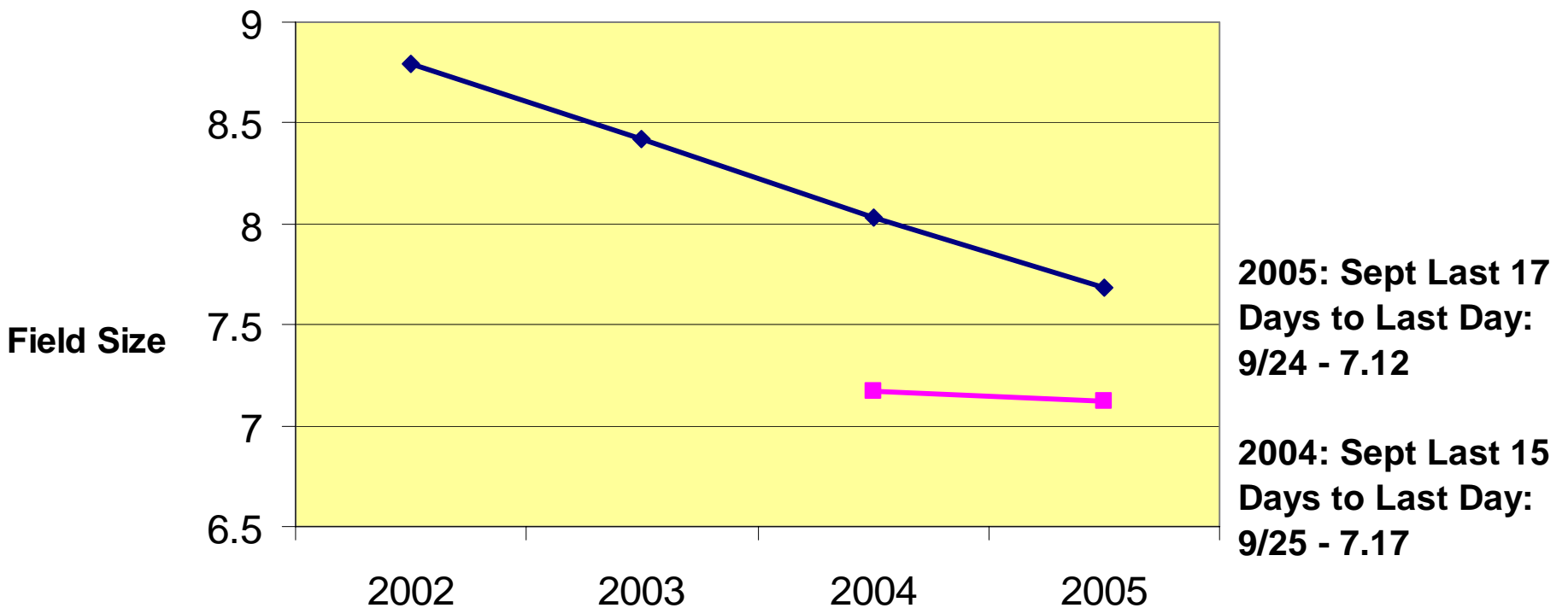
COMPETITION QUARTERHORSE

Zia Park (NM) 9/23 – 12/4 \$23,000 per race
(Purses supplemented by funds from alternative gaming.)

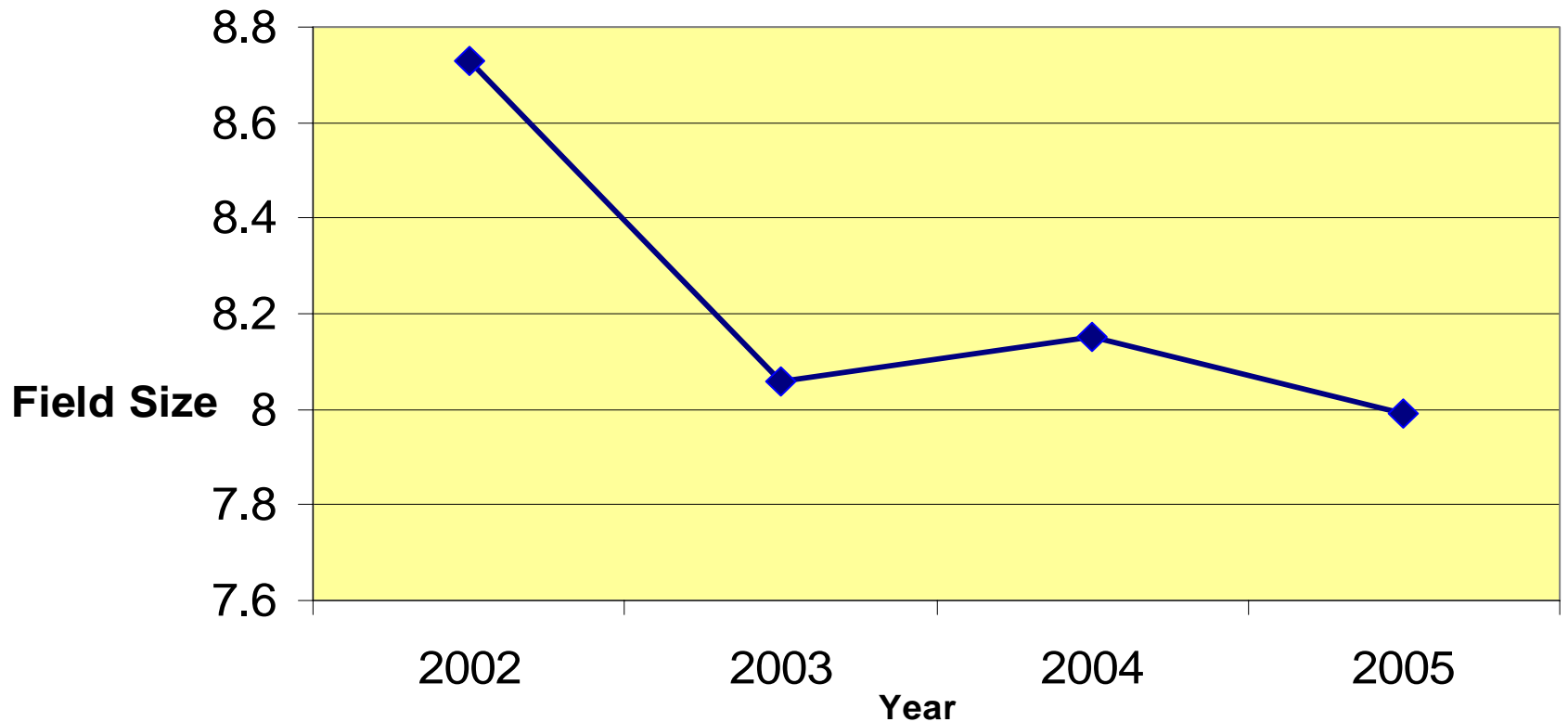
Prairie Meadows Field Size Thoroughbred Meet



Prairie Meadows Field Size Mixed Meet (Thoroughbred)



Prairie Meadows Field Size Mixed Meet (Quarterhorse)



Prairie Meadows Field Size (Harness)



PRAIRIE MEADOWS

Equine Population 2005

<u>Date</u>	<u>Stalls Available</u>	<u>Horses on Property</u>	<u>Thoroughbred Horses</u>	<u>Quarter Horses</u>
April 19, 2005	1340	1009		
May 26, 2005	1340	1190	1136	
June 28, 2005	1340	1166	1075	37
July 26, 2005	1340	1240	786	454
August 24, 2005	1340	1127	678	449
September 13, 2005	1340	1020	586	434

Approximately 50 stalls are allocated for commercial and stable ponies